

110TH CONGRESS  
2D SESSION

# H. R. 6804

To amend the Internal Revenue Code of 1986 to allow individuals a temporary refundable credit for the cost of natural gas, home heating oil, and propane, to allow small businesses, farmers, and fishermen a credit for motor and other fuel costs, and to increase the credit for nonbusiness energy property and make it permanent, and for other purposes.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 1, 2008

Mr. COURTNEY (for himself and Mr. MURPHY of Connecticut) introduced the following bill; which was referred to the Committee on Ways and Means, and in addition to the Committees on Energy and Commerce and Education and Labor, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

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## A BILL

To amend the Internal Revenue Code of 1986 to allow individuals a temporary refundable credit for the cost of natural gas, home heating oil, and propane, to allow small businesses, farmers, and fishermen a credit for motor and other fuel costs, and to increase the credit for nonbusiness energy property and make it permanent, and for other purposes.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

1 **SECTION 1. SHORT TITLE.**

2 This Act may be cited as the “Families and Small  
3 Business Energy Tax Relief Act of 2008”.

4 **SEC. 2. TEMPORARY REFUNDABLE CREDIT AGAINST IN-**  
5 **COME TAX FOR NATURAL GAS, HEATING OIL,**  
6 **AND PROPANE COSTS OF INDIVIDUALS.**

7 (a) IN GENERAL.—Subchapter B of chapter 65 of the  
8 Internal Revenue Code of 1986 (relating to rules of special  
9 application) is amended by adding at the end the following  
10 new section:

11 **“SEC. 6431. TEMPORARY REFUNDABLE CREDIT AGAINST IN-**  
12 **COME TAX FOR NATURAL GAS, HEATING OIL,**  
13 **AND PROPANE COSTS OF INDIVIDUALS.**

14 “(a) GENERAL RULE.—In the case of an individual,  
15 there shall be allowed as a credit against the tax imposed  
16 by subtitle A for the taxable year an amount equal to the  
17 lesser of—

18 “(1) 50 percent of the amount of the taxpayer’s  
19 residential energy costs for such taxable year, or

20 “(2) \$750 (\$1,500 in the case of a joint re-  
21 turn).

22 “(b) INCOME LIMITATION.—

23 “(1) IN GENERAL.—The amount allowable as a  
24 credit under subsection (a) for any taxable year  
25 (without regard to this subsection) shall be reduced

1 (but not below zero) by an amount which bears the  
2 same ratio to the amount so allowable as—

3 “(A) the excess (if any) of the taxpayer’s  
4 adjusted gross income over \$75,000 (\$150,000  
5 in the case of a joint return), bears to

6 “(B) \$10,000 (\$20,000 in the case of a  
7 joint return).

8 “(2) DETERMINATION OF ADJUSTED GROSS IN-  
9 COME.—For purposes of paragraph (1), adjusted  
10 gross income shall be determined without regard to  
11 sections 911, 931, and 933.

12 “(c) DEFINITIONS AND SPECIAL RULES.—For pur-  
13 poses of this section—

14 “(1) RESIDENTIAL ENERGY COSTS.—The term  
15 ‘residential energy costs’ means the amount paid or  
16 incurred by the taxpayer during the taxable year—

17 “(A) to any utility for natural gas used in  
18 the principal residence of the taxpayer during  
19 the heating season, and

20 “(B) for heating oil or propane for use in  
21 the principal residence of the taxpayer.

22 “(2) PRINCIPAL RESIDENCE.—The term ‘prin-  
23 cipal residence’ has the meaning given to such term  
24 by section 121.

1           “(3) HEATING SEASON.—The term ‘heating  
2           season’ means September, October, November, De-  
3           cember, January, February, and March.

4           “(4) SPECIAL RULES.—This section shall not  
5           apply to fuel used in—

6                   “(A) any residence located outside the  
7           United States, or

8                   “(B) any residence which is not the tax-  
9           payer’s principal place of abode throughout the  
10          heating season.

11          “(d) OTHER SPECIAL RULES.—

12               “(1) INDIVIDUALS PAYING ON LEVEL PAYMENT  
13          BASIS.—Amounts paid for natural gas under a level  
14          payment plan for any period shall be treated as paid  
15          for natural gas used during the portion (if any) of  
16          the heating season during such period to the extent  
17          of the amount charged for natural gas used during  
18          such portion of the heating season.

19               “(2) HOMEOWNERS ASSOCIATIONS, ETC.—This  
20          section shall apply to homeowners associations (as  
21          defined in section 528(c)(1)), members of such asso-  
22          ciations, and tenant-stockholders in cooperative  
23          housing corporations (as defined in section 216)  
24          under regulations prescribed by the Secretary.

1 “(3) TREATMENT AS REFUNDABLE CREDIT.—

2 For purposes of this title, the credit allowed by this  
 3 section shall be treated as a credit allowed under  
 4 subpart C of part IV of subchapter A of chapter 1  
 5 (relating to refundable credits).

6 “(e) APPLICATION OF SECTION.—This section shall  
 7 apply to amounts paid or incurred during 2008 or 2009.”.

8 (b) CONFORMING AMENDMENTS.—

9 (1) Paragraph (2) of section 1324(b) of title  
 10 31, United States Code, is amended by striking “or  
 11 6428 or” and inserting “, 6428, 6431, or”.

12 (2) The table of sections for subchapter B of  
 13 chapter 65 of such Code is amended by adding at  
 14 the end the following new item:

“Sec. 6431. Temporary refundable credit against income tax for natural gas,  
 heating oil, and propane costs of individuals.”.

15 (c) EFFECTIVE DATE.—The amendments made by  
 16 this section shall apply to taxable years ending after De-  
 17 cember 31, 2007.

18 **SEC. 3. TEMPORARY CREDIT AGAINST INCOME TAX FOR**  
 19 **SMALL BUSINESSES, FARMERS, AND FISHER-**  
 20 **MEN TO OFFSET HIGH FUEL COSTS.**

21 (a) IN GENERAL.—Subpart D of part IV of sub-  
 22 chapter A of chapter 1 of the Internal Revenue Code of  
 23 1986 (relating to business-related credits) is amended by  
 24 inserting after section 45P the following new section:

1 **“SEC. 45Q. TEMPORARY CREDIT FOR SMALL BUSINESSES,**  
2 **FARMERS, AND FISHERMEN TO OFFSET HIGH**  
3 **FUEL COSTS.**

4 “(a) ALLOWANCE OF CREDIT.—For purposes of sec-  
5 tion 38, the fuel cost credit determined under this section  
6 is an amount equal to 15 percent of the amount paid or  
7 incurred by the taxpayer during the taxable year for any  
8 creditable fuel used in any trade or business of the tax-  
9 payer if—

10 “(1) such trade or business is—

11 “(A) a farming business (as defined by  
12 section 263A(e)(4)), or

13 “(B) commercial fishing (as defined in sec-  
14 tion 3 of the Magnuson-Stevens Fishery Con-  
15 servation and Management Act (16 U.S.C.  
16 1802)), or

17 “(2) such taxpayer is a small business.

18 “(b) SMALL BUSINESS.—For purposes of this sec-  
19 tion, the term ‘small business’ means a corporation or  
20 partnership which meets the gross receipts test of section  
21 448(c) for the taxable year (or, in the case of a sole propri-  
22 etorship, which would meet such test if such proprietor-  
23 ship were a corporation), except that such section shall  
24 be applied by substituting ‘\$20,000,000’ for ‘\$5,000,000’  
25 in each place it appears.

1       “(c) CREDITABLE FUEL.—The term ‘creditable fuel’  
2 means—

3           “(1) gasoline,  
4           “(2) diesel fuel,  
5           “(3) heating oil,  
6           “(4) propane, and  
7           “(5) natural gas.

8       “(d) APPLICATION OF SECTION.—This section shall  
9 apply to amounts paid or incurred during 2008 or 2009.”.

10       (b) CONFORMING AMENDMENTS.—

11           (1) Section 38(b) of such Code is amended by  
12 striking “plus” at the end of paragraph (32), by  
13 striking the period at the end of paragraph (33) and  
14 inserting “, plus”, and by adding at the end the fol-  
15 lowing:

16           “(34) the fuel cost credit determined under sec-  
17 tion 45Q(a).”.

18           (2) The table of sections for subpart D of part  
19 IV of subchapter A of chapter 1 of such Code is  
20 amended by inserting after the item relating to sec-  
21 tion 45P the following new item:

“Sec. 45Q. Temporary credit for small businesses, farmers, and fishermen to  
offset high fuel costs.”.

22       (c) EFFECTIVE DATE.—The amendments made by  
23 this section shall apply to taxable years ending after De-  
24 cember 31, 2007.

1 **SEC. 4. MODIFICATIONS OF CREDIT FOR NONBUSINESS EN-**  
2 **ERGY PROPERTY.**

3 (a) CREDIT MADE PERMANENT.—Section 25C of the  
4 Internal Revenue Code of 1986 (relating to nonbusiness  
5 energy property) is amended by striking subsection (g).

6 (b) INCREASED CREDIT FOR QUALIFIED OIL FUR-  
7 NACES; INCREASE IN LIFETIME LIMITATION.—

8 (1) QUALIFIED OIL FURNACES.—Paragraph (3)  
9 of section 25C(b) of such Code is amended by redes-  
10 ignating subparagraph (C) as subparagraph (D) and  
11 by striking subparagraph (B) and inserting the fol-  
12 lowing new subparagraphs:

13 “(B) \$150 for any qualified natural gas or  
14 propane furnace or hot water boiler,

15 “(C) \$1,500 for any qualified oil furnace,  
16 and”.

17 (2) LIFETIME LIMITATION.—Paragraph (1) of  
18 section 25C(b) of such Code is amended by striking  
19 “\$500” and inserting “\$4,000”.

20 (c) INCREASED CREDIT FOR ENERGY-EFFICIENT  
21 BUILDING PROPERTY.—Subparagraph (D) of section  
22 25C(b)(3) of such Code, as redesigned by subsection (b),  
23 is amended by striking “\$300” and inserting “\$500”.

24 (d) INCREASED IN CREDIT PERCENTAGE FOR BUILD-  
25 ING ENVELOPE COMPONENTS.—Paragraph (1) of section



1 25C(a) of such Code is amended by striking “10 percent”  
2 and inserting “25 percent”.

3 (e) EFFECTIVE DATE.—

4 (1) IN GENERAL.—Except as provided in para-  
5 graph (2), the amendments made by this section  
6 shall apply to property placed in service after the  
7 date of the enactment of this Act.

8 (2) SUBSECTION (a).—The amendment made  
9 by subsection (a) shall apply to property placed in  
10 service after December 31, 2007.

11 **SEC. 5. OUTREACH AND WEATHERIZATION ASSISTANCE.**

12 Section 2605 of the Low-Income Home Energy As-  
13 sistance Act of 1981 (42 U.S.C. 8624) is amended by add-  
14 ing at the end the following new subsection:

15 “(m)(1) There are authorized to be appropriated to  
16 the Secretary, in addition to amounts authorized under  
17 section 2602, for each fiscal year—

18 “(A) \$204,000,000 for outreach activities de-  
19 scribed in subsection (b)(3); and

20 “(B) \$766,000,000 for weatherization and re-  
21 pair activities described in subsection (k).

22 “(2) In any fiscal year for which amounts are appro-  
23 priated pursuant to this subsection, no amounts appro-  
24 priated for carrying out this title other than such amounts

- 1 appropriated pursuant to this subsection may be used for
- 2 the activities described in paragraph (1)(A) and (B).”.

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